

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY AND CITY OF STANTON, IOWA	DOCKET NO. SPU-99-21
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**ORDER GRANTING CERTIFICATE OF AUTHORITY
AND ADJUSTMENT OF SERVICE AREA**

(Issued September 22, 1999)

On July 20, 1999, MidAmerican Energy Company (MidAmerican) and the city of Stanton, Iowa (Stanton), filed with the Board a joint petition for certificate of authority and adjustment of service area. The petition included a service area agreement, bill of sale, and a written agreement signed by the affected customers for the transfer of the service territory. MidAmerican and Stanton request the Board transfer to Stanton the service territory in Montgomery County, Iowa, described as follows:

Beginning at the northwest corner of the East Half (E1/2) of the Northeast Quarter (NE1/4) of Section 9, Township 71 North, Range 37 West of the 5th P.M., Montgomery County, Iowa, thence east along the north line of said Section 9, and Section 10, last named Township and Range, to the northeast corner of the Northwest Quarter (NW1/4) of said Section 10, thence south to the northwest corner of the South Half (S1/2) of the Southeast Quarter (SE1/4) of Section 10, thence southeast in said Section 10 and Section 11, last named Township and Range, to a point 200 feet west of the southeast corner of said Section 11, thence southwest in Section 14, last named Township and Range, to the southeast corner of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4) of said Section 14, thence west in Section 14 and

Section 15, last named Township and Range, to the southwest corner of the Northeast Quarter (NE1/4) of said Section 15, thence north .25 mile, thence west in said Section 15, and Section 16, last named Township and Range, to the southwest corner of the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) of said Section 16, thence north in said Section 16 and Section 9, last named Township and Range to the point of beginning, Montgomery County, Iowa.

IOWA CODE § 476.25 (1999) provides in pertinent part:

Contracts between electric utilities to designate service areas and customers to be served by the electric utility or for the exchange of customers between electric utilities, when approved by the board, shall be valid and enforceable and shall be incorporated into the appropriate exclusive service areas established pursuant to subsection 1 of this section. The board shall approve a contract if it finds that the contract will eliminate or avoid unnecessary duplication of facilities, will provide adequate electric service to all areas and customers affected, will promote the efficient and economical use and development of the electric systems of the contracting electric utilities, and is in the public interest.

IOWA ADMIN CODE 199-20.3(10) (1999) states in part:

The electric utility or municipal corporation shall pay the party currently serving the customer a reasonable price for the facilities being served.

In support of the petition, MidAmerican and Stanton stated MidAmerican currently serves 14 customers within the service area proposed to be transferred. The service area is an island within MidAmerican's service territory and requires its own facilities. Stanton and Southeast Iowa Service Company surround the service area, with the nearest MidAmerican customer located approximately four miles away. MidAmerican and Stanton have provided signed statements from each affected

customer agreeing to the change in service. Stanton has agreed to pay MidAmerican a sum of \$35,500 for the facilities located within the service area proposed to be transferred. The price is based on the replacement cost of facilities less accumulated depreciation on the current facilities.

The Board finds the price paid by Stanton for the facilities reasonable and will grant the MidAmerican and Stanton petition for certificate of authority and adjustment of service area. MidAmerican and Stanton have alleged facts which establish the adjustment of service area is in the public interest, will prevent unnecessary duplication of facilities, provide adequate electric service to all customers affected, and will promote the efficient and economical use of the electrical systems, pursuant to IOWA CODE § 476.25 (1999).

IT IS THEREFORE ORDERED:

The joint petition for certificate of authority and adjustment of service area filed by MidAmerican Energy Company and the city of Stanton, Iowa, on July 20, 1999, is granted.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 22nd day of September, 1999.